

**STATE OF WASHINGTON
ENERGY FACILITY SITE EVALUATION COUNCIL**

May 12, 2003 - Regular Meeting
4224 6th Avenue S.E., Building 1
Lacey, Washington - 1:30 p.m.

ITEM 1: CALL TO ORDER

ACTING CHAIR FENTON: I'd like to convene the Monday, May 12, 2003 meeting of the Washington State Energy Facility Site Evaluation Council. Mike, will you call the roll.

ITEM 2: ROLL CALL

EFSEC Council Members

Community, Trade & Economic Development

Dick Fryhling

Department of Ecology

Department of Fish & Wildlife

Jenene Fenton

Department of Natural Resources

Tony Ifie

Utilities and Transportation Commission

Tim Sweeney

Chair

Kittitas County

Patti Johnson (via phone)

MR. MILLS: I note the presence of Acting Chair Jenene Fenton and there is a quorum.

OTHERS IN ATTENDANCE

EFSEC Staff and Counsel

Allen Fiksdal

Irina Makarow

Mike Mills

Mariah Laamb

Michelle Elling

Pete Dewell – ALJ (via phone)

Ann Essko – AAG

EFSEC Guests

Karen McGaffey-Perkins Coie

Lauri Vigue-WDFW

John Arbuckle, Energy Northwest

Marc Boule-Shapiro

Duncan McCaig-Tractebel

Darryl Peebles-Kittitas Valley Wind Project

Mike Lufkin-CFE

Mark Anderson-CTED Energy Policy

Greg Poremba-ENSR

Mike Torpey- BP Cherry Point

David Bricklin-Bricklin, Gendler, Dold (phone)

Cindy Custer-BPA

Bill LaBorde-NW Energy Coalition

Teryn Gillilam-Ecology & Environment

Jim Hurson-Kittitas County (via phone)

ITEM NO. 3: APPROVAL OF MINUTES

ACTING CHAIR FENTON: We have the minutes of the April 14th meeting in our packages. Are there any corrections or additions to those minutes? Do I have a motion for adoption?

MR. FRYHLING: I so move.

MR. IFIE: I second.

ACTING CHAIR FENTON: Moved and second. Is there any discussion? All in favor?

COUNCIL MEMBERS: Aye.

ITEM NO. 4: ADOPTION OF PROPOSED AGENDA

ACTING CHAIR FENTON: Okay. We have the agenda for today's meeting in front of us. Are there any corrections to the agenda?

MR. FIKSDAL: The only change is Duncan McCaig will be in place of Tom Schneider on item No. 8.

ACTING CHAIR FENTON: Thank you.

MR. DEWELL: I'm having a hard time hearing anybody besides the presiding.

MR. FIKSDAL: Okay. We're just doing some preliminary items. We'll get to a microphone in a little bit when we start.

MR. DEWELL: All right. Thank you.

MR. IFIE: No. 9 is Laura Schinnell?

MR. FIKSDAL: No. Mike Mills will report.

MR. MILLS: I'll also give the reports on Satsop and the Columbia Generating Station also.

MR. IFIE: Okay.

ACTING CHAIR FENTON: Okay. With those corrections, shall we proceed or do we need to adopt it?

ITEM NO. 5: KITTITAS VALLEY WIND POWER PROJECT

<i>Progress Report</i>	<i>Irina Makarow</i>
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ACTING CHAIR FENTON: The first item on the agenda is the Kittitas Valley Wind Project status report. Irina?

MS. MAKAROW: For the benefit of Patti, Julian and Jim Hurson, I'm sitting close to the microphone and I hope you can hear me.

MR. DEWELL: We hear you just fine. Thank you.

MS. JOHNSON: Much better.

MS. MAKAROW: Sitting beside me is Darrel Peebles because he is going to be making a small presentation himself, in a few moment. I'd like to kind of go through the progress report in two stages, one which may kind of overlap after the introduction process counsel action. In the first part of the progress report I'll just recap what staff and others have done with regards to this project in the last month.

On May 1st we held the land use hearing in Ellensburg, Washington and Council did make a decision that the land use was not consistent with local land use plans and zoning ordinances and

set out a schedule for the applicant to work with the county on those issues. Staff expects that order to be issued tomorrow and we'll be mailing it to the applicant, Kittitas County, Council for the Environment and also to all the people who either presented testimony or submitted written comments with regard to that issue in that comment period.

The Scoping Summary was also issued and with regards to the application review the applicant did submit responses in the second half of April to Shapiro and Ecology, and on Friday we did receive responses to the Fish and Wildlife questions, which I distributed to you today. For those council members who aren't here, they will get those mailed to them.

So, that leads into the second phase of the progress report, which is the issue of sufficiency, which I think we should leave until after we discuss the process for intervention. Are there any questions regarding the progress report? I hear nothing, so I shall proceed with the action item, which is the Intervention Process.

<i>Intervention Process</i>	<i>Irina Makarow</i>
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MS. MAKAROW: In your packets I've included a number of things. There's first of all, on the green sheet, a staff recommendation with regards to the intervention process, dated May 7th, 2003. On buff colored paper -- attached to that, excuse me, there's also the schedule that Darrel Peeples presented to the Council at the executive committee meeting last week. On buff colored paper there's a schedule where I've compared staff schedule as we see it right now with Darrel Peeples' schedule. And then, finally, on a turquoise colored sheet, which was unfortunately placed after the letter from Perkins Coie regarding the BP Project, I included a copy of the Notice of Intervention that was issued with regards to the BP Project so that council members could have an idea of what the late intervention process really ended up looking like. And so, I invite Darrel Peeples to just briefly describe his proposal with regards to the intervention process.

MR. PEEPLES: Okay. Primarily, I'm really asking for the type of process. I mean, we discussed this at the Executive Committee Meeting. I don't have Irina's buff-colored that compares it. I'm pretty much aware of it. I think our schedules are very similar. You know, the main thing we're asking for is that we commence the intervention process, we go forward and reserve a late intervention process for those issues that were not anticipated and came up as a result of the DEIS. And we can talk schedules and we can discuss them today, but ultimately I think the actual schedules will be resolved later at the intervention -- after the intervention process and I think everybody at that point will have plenty of ability to give input. I don't consider the schedule I proposed and the one that Irina proposed to be all that much different. If there's a significance, probably the most significant one is the issue of my proposal of simultaneous briefs, which I think actually tactically would work against the advantage of the applicant because the applicant is giving up a hammer. But those things will be determined in the future. I think the general schedules proposed by both are fairly reasonable, if they can be met. In my schedule I want to point out that I don't put any portion of extended schedule in case somebody came in and got a late intervention status. Whatever schedule is adopted is going to be subject to some slippage later. We all recognize that. So, essentially, what I'm requesting of the Council is to adopt the procedure that they've used in the last three cases. And there's a comment on my schedule where I had the comment period on the DEIS should be later than what was scheduled in my -- you know, take that for granted. That was a very good, I think, point made by Mr. Carelli. So, other than that, I don't think, however, the schedules are all that much significantly different and they will probably change by the time we get done with the process.

ACTING CHAIR FENTON: There were a couple of questions. Darrel just addressed the one that Chuck brought up, but I think there was one other comment that was made. Were there any other changes that were made to the proposed schedule, Irina?

MS. MAKAROW: I took into account those comments that were made at the executive committee meeting, and there was the one with regards to the comment period on the draft EIS which was changed to roughly the third week of the comment period and I made some small tweaks in the staff schedule where I managed to find another week or two to shorten the process. But, there's no significant difference in the two schedules.

ACTING CHAIR FENTON: Wasn't there a concern about the length of time that was provided in the schedule for the issuance of the draft EIS

MR. PEEPLES: No. That was brought up, but I think Irina --

MS. MAKAROW: That was my error.

MR. PEEPLES: Yeah.

MS. MAKAROW: That was my error.

MR. PEEPLES: I think the schedule I proposed from that point going back was Irina's schedule. And I do also want to point out, though I don't know now is the time to do it, the applicant will be asking in the -- I'll ask right now, but we'll do it formally with a written letter, to have an extension of time with regard to the 90 days for preemption. I've talked to the County Prosecutors on the line and trying to get some idea how long for the County to get through their process. And probably it's not going to be done in 90 days and we don't want to hold that out to the end, so we'll be formally coming in and asking for an extension of that time period right away. And I don't know how the Council is going to respond to that or what their desires are, but our desires would be to get it extended through the summer.

ACTING CHAIR FENTON: Could we anticipate having that as an action item on for the next Council meeting?

MR. PEEPLES: Yeah. I'll have it in writing to you this week. Jim Hirson and I talked Friday. I had planned to do it before, you know, anyway. And I don't want to wait until the last minute and have that on my schedule and worry about not doing it on time. So, I want to get it done. And the County, I'm sure, is going to get their process done as soon as they can and be as expeditious as possibility. But I don't think it can get done in the 90 days, especially after talking to Jim Friday. It's not going to get done in that 90 days. If it gets done, that's fine, because I think County wants to get it done as soon as they can, too.

ACTING CHAIR FENTON: There's no reason for a special meeting, we can just schedule it for a regular meeting?

MR. PEEPLES: There's no reason for a special meeting. So, it will be in writing to you before that time. The rule says the Council and the applicant can agree, and so we're going to ask that the Council to extend it.

ACTING CHAIR FENTON: Thank you for letting us know. Does the Council have any other questions about the proposed schedule?

MR. IFIE: I have a question. The extension you are just eluding to, is that going to affect the schedule we are considering now?

MR. PEEPLES: I think, like anything, if we don't get compliance it may cause it to slip, but as I responded with regard to the intervention, I would like to set up a projected schedule now in people's minds as if there aren't problems coming up and when problems do come up the Council is going to have to consider them and they may very well cause the schedule to slip and I told my client that.

MR. IFIE: I have a point, just trying to get information. Does the Council require an EIS to be done in spot of the land use hearing procedure? And if that's the case, how would that be correlated with the other EIS that has been done by the independent consultant as heard by EFSEC?

MR. PEEPLES: The statute -- somebody help me, what is it? -- it's 463, is that -- excuse me. That's a WAC. The statute, I can't recall it right off, provides that local governments do not have to do an EIS with regard to decisions made with regard to EFSEC processes.

MR. IFIE: Oh.

MR. PEEPLES: So, it is our position that that, you know -- so the County would not have to do an EIS because the EFSEC's doing one. Now, Jim, are you there?

MR. HURSON: Yes, I am.

MR. PEEPLES: Jim expressed to me, and correct me if I'm wrong, that before its decision they would very much like to have the draft EIS when they make their decision. Is that correct?

MR. HURSON: Jim Hurson, for the record. One of the EFSEC statutes does indicate that applicants don't have to go through the detailed CEPA checklist process, and it appears that it's basically folded into the EFSEC process. But because the EFSEC process doesn't do a final EIS.

MR. PEEPLES: Jim, you're fading.

MR. HURSON: Since it doesn't do the final EIS until after the adjudication and you have to have consistency before that, I think how the County is looking at it, you want to have the draft EIS that EFSEC will prepare and serve as best it can as our environmental analysis for land use purposes. And so I talked to Gerald Friday and he said he was going to ask to have a stay as far as the compliance issue. I was going to put one in writing and let the Board know that today. And just as long as I'm talking, I know the regulations say basically the applicant can stay everything, but we don't want everything stayed, we would like to have the EIS process continue so that we have the draft EIS for County use in doing our land use consistency issues with the comprehensive land change. So, that's kind of where that is. I had a couple other comments about scheduling, but I would hold those until later.

MR. IFIE: Thank you.

ACTING CHAIR FENTON: Does anyone else have questions?

MR. PEEPLES: We're not going to ask for a stay, we're going to ask for a continuance for the 90 days and go forward with the EIS intervention process, with the understanding that when I -- I know what's going to happen, you know, I think it's pretty obvious, if we don't get consistency and agreement with County. Mr. Hurson's concern is trying to prepare for two things at once, and I appreciate that.

MR. HURSON: Just so the Council knows, basically looking at our time frame and our schedule now and applications we've had since we last spoke to the Council, I don't see any way you'd be able to get it done in 90 days and I didn't want to have this sort of looming deadline hanging over us that we know won't happen. So, I talked to Mr. Peeples last week and asked if they would be agreeable now to get that time set back so there isn't some false panic going on or false sense that we'll just never be able to accomplish it so why bother. We want to have a reasonable period of time. And so if we get the draft EIS, that will probably help us be able to do our land use decisions having that in hand. So, keep that process going good. If now is a good time to talk about intervention, I'd be happy to. The schedule you talked about, I just had a couple points for the County.

ACTING CHAIR FENTON: Go ahead.

MR. HURSON: One was basically pretty much the EFSEC staff recommendation is what we think is an appropriate one, you have a window now and then there'll be the window after the draft EIS. You don't want to have the EIS until we have it. But first, any briefing schedules or hearing schedules after the intervention has happened I think is just premature at this point to try to set a schedule. Sometimes schedules seem to take on a life of their own and great momentum, they have a process continue under one. And the draft schedule that is out right now, I think that FILKA (phonetic) would have the thorough briefs in August 1st, which is less than three months from now. And I have no belief that we'll have the consistency issue resolved by then, so it isn't going to be able to work, so why adopt it? And then really the only -- I think the staff recommendation was let's wait until everybody intervenes and then once that's in place then everybody can be there to give their position on how the briefing should work. There's a question about simultaneous briefing. I think that should be something that once all the intervenors are in, have a party, see how that process will work. Frankly, if they get through consistency and they're consistent with County land use I doubt all of it will be part of the adjudication. So, I don't feel comfortable agreeing to any sort of a schedule because that will not be part of the schedule and the people who will be affected aren't on the phone right now.

ACTING CHAIR FENTON: Thank you.

MR. PEEPLES: To respond with regard to August 1st, that's not our briefs, that's our pre-file testimony. And I think it's good for people to look at our pre-filed testimony as soon as possible. That doesn't necessarily make somebody to respond other than how the Council would like them to respond, but it seems to me as soon as the applicant gets its pre-file testimony out then all the parties would have a better understanding what our case is.

ACTING CHAIR FENTON: Does any other member of the Council have questions? Does any member of the public have questions or comments?

MR. LUFKIN: This is Mike Lufkin, Council for the Environment from the AG's office. Generally, I think that the schedule that Mr. Peebles has outlined in terms of the dual intervention process will work well for this particular application. I sat and listened to Mr. Jim Hurson's concerns and I do agree with some of them in terms of formally setting briefing schedules now without even knowing who the parties are and letting those other parties have a say. But I think both of the concerns of Mr. Peebles and Mr. Hurson can probably be worked in together. I think Mr. Peebles has said that he realizes that there might be some slippage in the schedule. And essentially I think what we're just agreeing to or he's looking for in schedule has more to do with just that kind of a concept of the Wallula style intervention which, my opinion is that that will work appropriate here in terms of setting out the more detailed schedule. I think there's some concerns. I think everybody understands there's some concerns and that any schedule that, even if it were set forth today, you know, there's going to be some slippage in there and there's going to be some things that need to be worked out once we do have parties who are intervened into the process and hear what they have to say about the time frames. So, generally I think that the Wallula style is appropriate for this. So, that's all I have.

ACTING CHAIR FENTON: Thank you. Anyone else? Well, the action item before us is a conceptual schedule following the Wallula Project Design that was used. As we discussed at the executive committee meeting, we all recognize that the dates are conceptual only and they are not locked in concrete and are subject to change, because at this point in any process there's too many unknowns to identify a specific schedule. So, with that as the basis of our action item, do I have a motion?

MR. IFIE: I so move.

ACTING CHAIR FENTON: Do I have a second?

MR. FRYHLING: I'll second that.

ACTING CHAIR FENTON: It's been moved and seconded. Any discussion?

MR. IFIE: I want clarification on what I moved on. What I moved on was approving a conceptual schedule following the Wallula project?

ACTING CHAIR FENTON: Correct.

MR. IFIE: Okay.

ACTING CHAIR FENTON: It's been moved and seconded. All those in favor?

COUNCIL MEMBERS: Aye.

ACTING CHAIR FENTON: Opposed? Motion passes.

MS. MAKAROW: Just for the benefit of our court reporter, that was Patti Johnson from Kittitas County also voting aye on the phone.

ACTING CHAIR FENTON: Thank you. Okay. The next item on the agenda --

MS. MAKAROW: Madam Chair, actually, I have not finished with my progress report because there was that one outstanding item of application sufficiency. This morning Mr. Mark Boule' gave us a letter from Shapiro and Associates where they state that their team has finished reviewing the application for the Kittitas Valley Power Project and they deem that application sufficient to proceed with the adjudicative proceeding. They have identified a number of small issues that still need clarification and information with regards to the EIS and we will be transmitting those to the applicant in due time to fill in those gaps. Would you like Mr. Boule' to come and give you a small presentation on that or --

ACTING CHAIR FENTON: I just have one question before then. Is it necessary for the Council to take action on the sufficiency determination or is it -- I can't remember how we've done that.

MR. FIKSDAL: I think in the past the Council -- this is Allen Fiksdal. In the past the Council has recognized that it is sufficient and has directed staff to issue the notice. And I don't know if you want to call that an action item or not.

ACTING CHAIR FENTON: I don't think we can, since it's not listed as such.

MR. FIKSDAL: If I recall, part of the Wallula process was something similar to that, the adoption of the process and when the Council received the sufficiency notice the staff would go ahead and issue the Notice of Intervention.

ACTING CHAIR FENTON: Okay. Thank you.

UNIDENTIFIED TELEPHONE SPEAKER: So, give us steps one, two and three?

MR. FIKSDAL: Pardon me, who was that on the phone?

UNIDENTIFIED TELEPHONE SPEAKER: Rob. And who is this?

MS. MAKAROW: This is Irina Makarow from EFSEC. Who is this on the phone?

UNIDENTIFIED TELEPHONE SPEAKER: Somebody who apparently didn't reserve it right. I'm sorry. I guess we'll head off. Bye.

ACTING CHAIR FENTON: Yes, I would like Marc Boule' to give us a presentation. Thank you.

MR. BOULE': Very good.

ACTING CHAIR FENTON: Thank you.

MR. BOULE': I'm still not sure I know what that was. We have completed a review of the application and, as Irina said, have found it to be sufficient to move forward. I have prepared a letter to that affect. The project team has reviewed the materials and consultants in support of

the application. Based on a professional review we feel sufficient information has been provided to initiate the adjudication process as established in 463-30 WAC. As I mentioned, we do anticipate some additional information would be necessary to complete the EIS and we are working now with both the proponent and the County to develop that application and develop that information. It relates in part to the specifics of the project description as it needs to be into the EIS and also the discussion of cumulative impacts in light of the fact that there is another wind farm proposal immediately adjacent to this one there in Kitsap County. So, the method by which we address the cumulative impacts needs to be worked out between staff and our team and the County. And those are sort of the key outstanding items at this point.

ACTING CHAIR FENTON: Thank you. Does anyone have any questions?

MR. FRYHLING: Did he say Kittitas County or Kitsap County?

MR. BOULE: I might have said Kitsap County since I live in Kitsap County, but I meant Kittitas.

MR. FRYHLING: I think it was Kittitas County what you meant to say.

MR. FIKSDAL: Madam Chair?

ACTING CHAIR FENTON: Yes.

MR. FIKSDAL: I think under the agenda the action item is the intervention process and I think part of the intervention process would be the timing of issuing the intervention. So, if the Council wants to take some sort of action or consider an action I think it would be appropriate under that action item.

ACTING CHAIR FENTON: I think what we need to do is add an action item for the sufficiency. And if everyone will agree we will add that item with an agenda.

MR. FRYHLING: Yes.

ACTING CHAIR FENTON: We now have an action item before us that the Council is being requested to acknowledge the sufficiency of the application received by Kittitas Valley Wind Project. And with that we will direct Council staff to move forward with the rest of the processes starting the environmental impact statement and the other processes involved in the application review.

MR. FIKSDAL: And issuing a Notice of Intervention?

ACTING CHAIR FENTON: Correct. So, with that motion on the table, do I have a second?

MR. SWEENEY: I'll second.

ACTING CHAIR FENTON: Moved and seconded. Do we have any discussion? Hearing none, all those in favor?

COUNCIL MEMBERS: Aye.

ACTING CHAIR FENTON: Opposed? Motion carries.

MR. FIKSDAL: Thank you.

ACTING CHAIR FENTON: Is there anything else, Irina?

MS. MAKAROW: No, that concludes my presentation on the Kittitas project.

ACTING CHAIR FENTON: Thank you both. All right.

MR. HURSON: Is that everything on Kittitas?

ACTING CHAIR FENTON: Yes.

MR. HURSON: I'll be signing off, then. Thank you

ACTING CHAIR FENTON: Thank you, Jim.

ITEM NO. 6: BP CHERRY POINT PROJECT

<i>Progress Report</i>	<i>Michelle Elling</i>
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ACTING CHAIR FENTON: The next item on the agenda is BP Cherry Point Project.

MR. DEWELL: Pete here--

ACTING CHAIR FENTON: Hi, Pete.

MR. DEWELL: Do you want me to stay on for that?

MR. FIKSDAL: Yes.

ACTING CHAIR FENTON: Michelle, would you like to make sure you're heard on a microphone?

MS. ELLING: All right. I don't have much to say. As the Council knows, the revision package to the application was received. Actually, we received an electronic copy which we passed on to Shapiro on April 15th and the hard copy came in on April 28th. I've invited Marc Boule' of Shapiro to come and speak to you about their review of that revision package. And when he has completed, Mike Torpey is also here to talk about the project.

ACTING CHAIR FENTON: Super. Thank you.

MR. BOULE': We have reviewed all of the materials that have been received from BP. In general we find them adequate to complete the EIS with a few outstanding issues. One of those relates to the description of the active power transmission facilities, the line from the Cogeneration Plant to the BP Substation. And BPA has not completed their analysis of what needs to be done with regard to that particular aspect of the project. There are some outstanding issues regarding the cumulative impacts, cumulative air quality impacts in the immediate vicinity, not the discussion associated with the PSD, but rather the SEPA discussion of cumulative impacts associated with other industrial facilities in the immediate vicinity. The cumulative impacts also is an outstanding issue with regard to the proposed GSX pipeline. There are a number of questions that had been raised there, specifically what happens if the two projects were under construction at the same time and what would be the cumulative construction impacts associated with those two projects should they occur at the same time. Some questions have been raised regarding the waste water impacts into Georgia Strait. I think these are probably going to be fairly easily answered, but we just have been asked for additional information. And finally, there is a vegetation survey associated with the Cultural Resources Impact Assessment which has not been -- it's a spring survey and so I believe the field work has just been completed and we have just not received the results. But, other than that, we have enough information to prepare the EIS and we are moving forward, of course awaiting some of these outstanding issues.

ACTING CHAIR FENTON: Mike, are you the person I should ask about the wetlands and the concerns that have been raised by the Corps of Engineers for the last six to nine months?

MR. BOULE': Yes, probably so.

ACTING CHAIR FENTON: Okay. What's the status of the wetlands?

MR. BOULE: The Wetland Mitigation Package has been presented and has been reviewed. We have a meeting scheduled with the Corps on Wednesday of this week and I believe we will probably hammer out the details at that time. There are some concerns that have been expressed by the Corps, but I believe in discussions with Mike Torpey that those will probably be resolved on Wednesday.

ACTING CHAIR FENTON: Has Department of Ecology also had a chance to review it? I think they were provided copies early last month.

MR. BOULE': Yes. And I spoke with Susan about her issues and concerns on Friday afternoon and I will be presenting those at our meeting on Wednesday.

ACTING CHAIR FENTON: When will the Council know what the final outcome of the wetlands discussion is? Will that be part of your final review?

MR. BOULE': I don't know the exact timing, because we haven't worked out a schedule, which is one of the things that we'll be working out on Wednesday.

ACTING CHAIR FENTON: Okay.

MR. BOULE': So, after the Wednesday meeting I'll be better able to answer that question.

ACTING CHAIR FENTON: Okay. So may we have a status report at the Executive Committee Meeting next week regarding what the status is of the wetlands review?

MS. ELLING: Yes.

ACTING CHAIR FENTON: Super. Thank you. Does anyone else have any questions? Okay. Mike, did you want to go ahead?

MR. TORPEY: Thank you. Am I being heard? Mike Torpey with BP, and just a couple of things. We mentioned in our cover letter with the revisions that the schedule was important to us and I just wanted to reiterate that. December 15th is an important milestone for the project. It was a date that was negotiated months ago, probably around the first of the year when the three entities, British Petroleum, the developer, TransCanada, and the contractor, chose December 15th as a day that we could give full notice to proceed on the project. That means essentially we have to have a permit in hand in order to do that. The risk to the project is that whole process opens up to renegotiation on December 15th. So I just wanted to reiterate, that's a date that's very important to us. We're working very hard to get to that point. I'm just pleading for your help and will provide all the information we can to Shapiro to speed a review.

Couple of points that were mentioned also. The intervention with BPA, we continue to work. We have our favorite option interconnection which has a minimum environmental impact, but the decision has not been completed yet. There is a meeting tomorrow with BPA and that is part of the discussion. I'm not part of that meeting, but the project manager is meeting with BPA in Portland tomorrow to help resolve some of those issues. My understanding of cumulative air impacts, that's something we just mentioned this morning, but one thing that has been somewhat addressed in the PSD permit, and the air emissions are low enough with all the air modeling that by EPA Standards they're below the significant impact levels. And if you're below the significant impact levels, you're not required to look elsewhere to do cumulative air modeling. I'm not aware of the progress on the GSX project. I don't know. I'm not even sure if it's a viable project at this point, but something we'll have to discuss, I think, on Wednesday.

One of the issues was the impacts of the Straits of Georgia and we are pulling together some additional information for Kim Wakefield. And essentially that information will also address the information about the Georgia Strait impact. So, we've already got that information, we're pulling it together as a package for Kim, so that should be available all at once. The vegetation survey is partially done. We did it on the project site several weeks ago. It still has to be done on the lay down area and the mitigation site. So we started it, it's not done yet. And on the wetland, we'll talk more on Wednesday about the wetland mitigation status. We worked long and hard on that and feel that we've addressed all that the Corps of Engineers was asking for. So, I think we'll have a good discussion on Wednesday.

ACTING CHAIR FENTON: Thank you. Does anyone have any questions?

MR. IFIE: I have a quick question, Mike. What is the issue on the wetland, what are the highlight issues between the parties on that?

MR. TORPEY: I think the underlying issues were filling drainage ditches that were on site. It was part of a farm, old farmland. It was hayed and cut for hay. There were a few ditches put in and the issue is around filling the ditches. That's one of the issues. The other issue was -- I'm drawing a blank, so -- oh, the level spreader, details on the level spreader. In establishing historic drainage, reestablishing historic drainage, taking storm water from the project site across the road, across Grand View Road, and spreading it out on the wetland mitigation area. So, as long as that water is spread as widely as could be done so that it should gently and slowly run back towards *****Teero Creek (phonetic). The issue on the ditches is we think we've plugged everything that was supposed to be plugged, so we still have some discussion, apparently, on Wednesday. And on the level spreader, providing additional detail, it is our understanding that we could use field engineering to show exactly where that needs to go and spread it out as far as we could do it and make it so that we could control it and spread it out as far as we could spread it out. So, the issue is about providing enough detail in the mitigation plan to show that.

MR. IFIE: Is that issue weed control as well?

MR. TORPEY: I'm sorry, I didn't understand.

MR. IFIE: Weed control.

MR. TORPEY: Oh. One of the primary goals of the project is controlling reed canary grass. So we have an extensive program outlined in the mitigation program in order to control reed canary grass and it starts with eradication and long term shading with vegetation and native plants.

MR. IFIE: So weed control, is that one of the issues or it is not an issue?

MR. TORPEY: That wasn't brought up as one of the issues. The two that were recently brought up were the ditches and the level spreader.

MR. IFIE: Oh, okay.

ACTING CHAIR FENTON: Any other questions?

MR. IFIE: Thank you.

ACTING CHAIR FENTON: Thank you. Michelle, did you have anything further?

MS. ELLING: I think that concludes the report

ACTING CHAIR FENTON: Thank you.

MR. TORPEY: Thank you.

ITEM NO. 7: SUMAS ENERGY 2

<i>Progress Report</i>	<i>Irina Makarow</i>
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ACTING CHAIR FENTON: Next on the agenda is Sumas Energy 2, Progress Report. Irina?

MR. DEWELL: I'm signing off.

MR. FIKSDAL: David, you don't want to listen to the Sumas?

MR. DEWELL: Oh, I thought you were going to Sumas.

MR. FIKSDAL: Oh, that's Pete. David Bricklin, are you still on the phone?

MR. BRICKLIN: Yes, I am.

MS. MAKAROW: All right. With regard to the progress report on the Sumas Energy 2 Project, the tan colored sheets in your packets pretty much summarize what I'm going to say. We received another progress report from Sumas Energy 2 regarding the air offsets work that they are doing. And basically they are still working on looking for projects, either indirectly or through their request for proposals process that they can use to offset emissions of nitrogen oxides and PM10. And attached to the offset report from Sumas Energy 2 and an email from

Eric Hansen where he describes in a little bit more detail exactly where and how frequently that request for proposal was published. So, they do a pretty good job in getting that out into the local and regional newspapers. The other item I will report on is that EPA Region 10 published a notice in the Federal Register, which you have a copy, indicating that final action had been taken on the PSD permit by both EFSEC and EPA and that does make the PSD permit final now. And so we proceeded to issue that final permit to the applicant, to EPA Region 10 per our memorandum agreement with them, and we also sent copies of the final permit with an explanatory cover letter to both all the people who have commented on that permit and the groups that had intervened before the Council on that permit.

ACTING CHAIR FENTON: Super.

MS. MAKAROW: And that concludes my report, unless you have some questions.

ACTING CHAIR FENTON: Thank you. Any question?

MR. FIKSDAL: Irina, do you remember the schedule for the NAB hearing for the project?

MS. MAKAROW: Not specifically.

MR. FIKSDAL: Karen McGaffey is in the back. Maybe she can answer that.

MS. MCGAFFEY: Yeah. The NAB hearings are starting on the 26th of this month and they go for about a two week period and then there's two or three weeks hiatus and they continue again in late June and early July.

ACTING CHAIR FENTON: Okay. Thank you.

ITEM NO. 8: CHEHALIS GENERATION FACILITY

<i>Construction Report</i>	<i>Duncan McCaig</i>
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ACTING CHAIR FENTON: Next on the agenda is Chehalis Generation Facility. Duncan?

MR. McCAIG: Thank you.

ACTING CHAIR FENTON: Thank you.

MR. McCAIG: Duncan McCaig, Chehalis Power Project. Thank you for the opportunity to provide a construction progress report. This report is good through yesterday, actually. Generally the project is on track through this last month and has proceeded without significant incidents. Most of the work is under cover and the site condition, we feel, is in excellent shape. There were no recordable incidents, safety incidents, during the month of April, and no environmental incidents as well. The construction work force is 324, which is a little more than half of its peak number. So, the number of construction workers continues to drop as we proceed to start up in commissioning. In the engineering and procurement area, that work is generally complete and all equipment has been received.

Our operator training is largely complete as well, and in the month of April and early May we received our training on the Alston Steam Turbine Generator and the ABB Distributing Control System. The GE engineers are proceeding nicely on their work on gas turbines 1 and 2, with checking the control hoops, 88 percent and 78 percent respectfully. We completed a smoke test on the No. 1 gas Turbine and are close to conducting a CO2 concentration test for fire protection. Work continues on completing a number of restoring a number of areas on the heat recovery steam generators, in the steam drums and piping and we're preparing piping for flushing the border feed water systems. We're also completing our final checks on the steam turbine generator prior to putting it on turning gear, turning it slowly to make sure that there is no rubbing and constraints. Generally we're continuing to work on small size or small bore piping,

and we're preparing the installation for temporary steam blow which will clean the piping. Work on the electrical area is progressing nicely. We have 97 percent of our terminations completed. We're insulating, we're painting the heat recovery steam generators. And on the start-up activities, we made a milestone in early May in that we put the No. 1 combustion turbine on turning gears. So we turned it slowly and insured that there was no rubbing, no problems, prior to start up.

We have a low cooling water system that provides cooling to systems like lubricating oil. That's been fully checked out and is fully in operation. Our water treatment plant is in the latter stages of commissioning and we have completed chemical cleaning of the No. 2 heat recovery steam generator. A BPA switch yard continues to be in service and has been since mid December. We have commissioned the natural gas metering station and pipe lines per down to the client. In general the progress is very satisfactory and we're on target. That's all I have.

ACTING CHAIR FENTON: Thank you very much. Does anyone have any questions?

MR. FIKSDAL: What was the smoke test?

MR. McCAIG: The smoke test is done to determine that the enclosure for the combustion turbine is completely sealed so that we can be assured when we do a CO2 concentration test in which we dump CO2 into the enclosure there are no major leakages.

MR. FIKSDAL: Thanks.

ACTING CHAIR FENTON: Any more progress on the Dillench Creek restoration?

MR. McCAIG: There is. I believe there was a meeting a few weeks ago in which our plant engineer attended. So, that's an ongoing process and I don't really have any significant progress to report, but there at least was a meeting a few weeks ago.

ACTING CHAIR FENTON: Okay. Thank you.

MR. MILLS: Jenene, Lauri Vigue is here. I think she could update the Council. Laurie, would you mind providing an update on the meeting that we had?

MS. VIGUE: Okay. I didn't bring my information, but we had a meeting. Think it was April 17th we met on the Dillench, with Chehalis and Lewis County Flood Control District and Chehalis Power to discuss the issues and we actually did a site visit. And out of that meeting I think the thing that Chehalis Power thought that was really important is the point that we need to start documenting decisions or when we have meetings we have to document them and make sure everybody approves what was said and sort of when actually there's work done on the project they need to make sure everybody is notified of it. So, I think that hopefully the communication issue has been resolved, I hope. But we did come up with a draft, kind of minutes from the meeting, which notes were contributed to everybody and were finalized recently. I believe Mike has a copy of those. I sent those to you last week.

MR. MILLS: Right. And we're going to send those out to the company and also to the Flood Control District and indicate Council accepts those as basically the procedure we expect people to follow.

MS. VIGUE: And I know Amy Davidson did send out contract proposal for maintenance for the Dillench Creek over the next year which includes, I think, weed control and watering on the site, and that's up for bid, I believe, in the next couple of weeks.

ACTING CHAIR FENTON: I understand also there was some re-vegetation that was going to be because of the mortality in planting.

MS. VIGUE: That was interesting. I'm not sure if -- when we were out there they supposedly were supposed to have the trees planted but they didn't, and that was a surprise to them. But,

they were supposed to have them planted last month, and it was right at the end of the perfect time to plant, so hopefully that's been taken care of.

ACTING CHAIR FENTON: When will we know that it's been taken care of?

MS. VIGUE: That's a good question.

MR. MILLS: We'll call the Flood Control District when we get back to the office and be able to report at Monday's meeting.

ACTING CHAIR FENTON: Thank you. Thanks, Lauri.

MS. VIGUE: Sure.

MR. MILLS: Thanks, Lauri.

ITEM NO. 9: SATSOP COMBUSTION TURBINE PROJECT

<i>Status Report</i>	<i>Mike Mills</i>
ACTING CHAIR FENTON: Okay. Next on the agenda is Satsop, and we have a written report from Laura Schinnell, but Mike, you're going to provide us with an update?	
MR. MILLS: I'll review Laura's notes. She was unable to attend today. But she indicates they're continuing maintenance at the facility. Examples include ceiling pipes and reviewing status of the equipment as they are coming out of the winter rainy season. Laura also notes that there were two inspections conducted by Department of Ecology staff. The first looked at the construction storm water controls and I believe that's the comment they stated all the management practices were working as intended. And then there was also a visit, unannounced visit, from Hazardous Waste And toxics reduction Program staff and we did receive a copy of the letter that was issued by the Ecology inspector that indicated there were no compliance issues. Laura notes that they're continuing to work on the C1-Pond replacement. She notes that URS has collected a tentative location and completed design calculations. Discussions are being held with the PDA. It's my understanding that Laura will meet with Tammy Garrow, who is the PDA director, this Friday, to talk about the arrangement that will be necessary with the PDA, and then they will prepare a package and submit that to the Council.	
ACTING CHAIR FENTON: On the C1-Pond selection, wasn't there a requirement to coordinate with Ecology and Fish and Wildlife on the C1-Pond stuff? Is that happening?	
MR. MILLS: We are going to do that when they submit their package. They basically looked at a place where they could site a storm water pond, and they had, I believe -- Karen, was it five or six different sites? -- and they narrowed that down to one site basically that would meet the requirements they felt. Once they prepare the package we do plan to have a site visit with Ecology and Fish and Wildlife and we would certainly invite Council members to attend at that time.	
ACTING CHAIR FENTON: I thought the concept was on site selection to put it on a place that was not owned or controlled by the PDA, but rather by -- am I missing something?	
MR. MILLS: That's not possible.	
ACTING CHAIR FENTON: At least the last time the Council heard about it I thought that's the direction they were going. So, is that a question?	
MS. McGAFFEY: The available property is all owned by the PDA, but I think what we've been trying to achieve is to have a pond that's specific to the site so that the pond isn't collection water from both PDA and Satsop, which was sort of the issue with respect to C1. A bunch of different folks were contributing storm water to the pond.	

ACTING CHAIR FENTON: Okay. Thank you.

MR. MILLS: And I was on site Friday and the site that they've selected is in the lay down area by where the offices were. Again, the companies need to talk to PDA and then they will submit a package and that's what the Council will respond to.

ACTING CHAIR FENTON: Thank you.

MR. MILLS: She also notes they're working on a greenhouse gas plan. "We'll supply written submission sometime next week so Council members can review it in advance of the May 19th meeting," so that would be this week that they need to provide that, "and Karen McGaffey can answer any questions."

ACTING CHAIR FENTON: Will we have the draft in time for Council members to review it prior to Monday's meeting?

MS. MCGAFFEY: That's our intent. We'll try to get it done early this week.

ACTING CHAIR FENTON: Does any member of the Council have any questions? Any member of the public have any questions? Okay. Thank you.

ITEM NO. 10. ENERGY NORTHWEST PROJECTS

Columbia Generating Station

<i>Operations</i>	<i>Mike Mills</i>
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ACTING CHAIR FENTON: Energy Northwest Project, Columbia Generating Station. Mike Mills?

MR. MILLS: Thank you. The operational progress report for plant status for the Columbia Generating Station, the plant was manually shut down on Sunday, May 4th, because of the condenser tube leak, and the plant was in a forced outage until the start of the Maintenance and Refueling Outage R-16, which began a day earlier than scheduled, on Friday, May the 9th. They're currently in day four of the planned 34-day maintenance and refueling outage. That's all I have to report on the plant status.

WNP-1/4

<i>Site Restoration</i>	<i>Mike Mills</i>
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MR. MILLS: The next item is the WNP-1/4 site restoration, and it's Jim's understanding that the Governor's office is still having some discussions with the U.S. Department of Energy about a signing ceremony and we're waiting for that discussion to result in some guidance, I guess, so that we'll know when the governor and Jim can sign the four-party letter.

ACTING CHAIR FENTON: I notice that Cindy Custer is smiling in the back.

MR. FIKSDAL: Chuckling.

ACTING CHAIR FENTON: Do you have any news to share?

MS. CUSTER: No. I already told him.

ACTING CHAIR FENTON: Thank you.

MR. MILLS: That completes the report for the Energy Northwest Project.

ACTING CHAIR FENTON: Thank you. Council, do you have any questions? Any questions from members of the public? Thank you.

ITEM NO. 11: EFSEC RULES

<i>Topic Discussion</i>	<i>Jenene Fenton</i>
ACTING CHAIR FENTON: We're now to the EFSEC rules topic. We have several rules that I'm recommending that move to EFSEC's website. Those include a new Site Restoration proposal; the Environmental Benefit proposal, which will be included in the application guidelines portion of the EFSEC WACs; Modifications which are primarily editorial in nature to: Chapter 463-06; 463-10, which is Definitions; 463-14, which is Policy & Interpretation; 463-18, which is the Meetings; and 463-30-120, which is the Adjudication/Filing. Allen?	
MR. FIKSDAL: I just want to note that in a couple of these rules and rule changes there are some editorializing, I guess, in a couple of them, that we will take out prior to putting on the website. So, what you have before us won't be exactly the thing that occurs.	
ACTING CHAIR FENTON: Thank you.	
MR. FIKSDAL: And I think for 463-14, the Policy Interpretation, there was a couple proportioned sections having to do Council members' salary and overhead costs that never was --	
ACTING CHAIR FENTON: Finalized.	
MR. FIKSDAL: -- finalized, so we'll not include those.	
ACTING CHAIR FENTON: Great. As long as you're bringing that up, the purpose of putting it on the website is to identify for interested parties what the Council's current proposals are. Once all of the proposals are on the website and ready to go forward, we need to have a comprehensive review of all the rules to make sure that everything is still consistent when the entire package is put together. So, there may still be some minor tweaking involved in the rules, even though they are on the website. Once the appropriate paperwork has been filed with the co-advisors office, that then will in essence formalize the initial public review process and kind of set the rules in concrete, at least until the process moves forward. But, right now they're still somewhat in flux, but not complete. Clear as mud. Does anyone else have any comments or questions? Does anybody in the public, in the audience, have anything that they wish to say? That being the case, we stand adjourned.	

ITEM NO. 11: OTHER

MR. FIKSDAL: Not quite. We have "Other."

ACTING CHAIR FENTON: I thought we moved to the other. I moved to the "Other."

MR. FIKSDAL: I missed the "Other."

ACTING CHAIR FENTON: Okay. Other?

MR. FIKSDAL: Well, I have an Other.

ACTING CHAIR FENTON: Okay.

MR. FIKSDAL: Seeing how this is your last day -- we can be off the record.

ACTING CHAIR FENTON: We can be off the record.

ITEM NO. 11: ADJOURN

(Whereupon, the Council Meeting was adjourned at 2:30 p.m.)

A F F I D A V I T

I, Jeanne' E. Cole, CCR, CSR, Certified Court Reporter, do hereby certify that the foregoing transcript prepared under my direction is a true and accurate record of the proceedings taken on May 12, 2003, in Lacey, Washington.

Jeanne' E. Cole, CSR, CCR
WA CCR No. CO-LE*JE367LM
CA CSR No. 08970